



April 9, 2019

Dear Employees and Labor Representatives of the San Francisco Housing Authority,

On March 7, 2019 the San Francisco Housing Authority (Housing Authority) received a notice from the U.S. Department of Housing and Urban Development (HUD) requiring the City and County of San Francisco (City) to assume responsibility for the Housing Authority's essential functions. It also required that the City and Housing Authority submit to HUD, for their review and approval by April 8, 2019 a Memorandum of Understanding (MOU), which outlines a scheduled plan of action for the City to assume these responsibilities, and plans for contracting with HUD approved third-party experts to administer the Housing Choice Voucher (HCV) and the Low Rent Public Housing (LRPH) Programs.

The City has been supporting the Housing Authority in their discussions with all Housing Authority employees and their unions about the impacts these requirements will have, as well as their efforts to comply with HUD's conditions. Additionally, in response to a request from SEIU Local 1021, the City sought clarification from HUD on whether the City could absorb and maintain the current structure of the HCV and LRPH programs as the third-party expert referenced in HUD's letter. HUD stated that a City takeover of these functions with existing Housing Authority staff would not meet this requirement. Additionally, HUD denied the City's request for an extension of the April 8<sup>th</sup> deadline to submit the MOU.

In order to ensure compliance with HUD's demands and prevent receivership of the Housing Authority, the City and the Housing Authority submitted a draft MOU for HUD's consideration which outlines the plan of action to comply with March 7<sup>th</sup> letter. This draft MOU is by no means the final decision on how this transition will unfold. In the coming weeks, we will be working collaboratively to continue discussions with labor and employees, as well as the Housing Authority Commission and the Board of Supervisors. The Housing Authority Commission and the Board of Supervisors will be required to approve the final MOU.

As I stated in my earlier letter, we know that your work has been an important part of assisting our public housing residents and HCV recipients, and we do not want the Housing Authority's employees to be unfairly harmed by the actions the City and Housing Authority must take to comply with HUD's requirements.

The City remains committed to assisting the Housing Authority in addressing the impacts this transition will have on its employees. This includes working closely with the Housing Authority to design appropriate severance payments, and provide a robust set of assessments, training, and counseling to identify options for impacted employees, including where possible and appropriate, opportunities for City employment. Our goal is to work with each and every one of



you in the coming weeks to evaluate your available options and minimize your personal financial impacts. The City will be providing skills assessments which will assist with matching you to potential City positions where available, assistance with job applications, resume writing, interviews, benefits, and career counseling. Whether it be retirement, severance, or support in obtaining a new employment opportunity, City Departments will be on hand to assist you during this transition.

Sincerely,

A handwritten signature in cursive script that reads "London Breed".

London N. Breed  
Mayor